

MINUTES OF THE ASSESSING
STANDARDS BOARD

Approved as Written

DATE: January 31, 2014

TIME: 10:11 a.m.

LOCATION: Department of Revenue, Training Room, 109 Pleasant Street Concord

BOARD MEMBERS:

Senator David Pierce ~ *Absent*
Representative Priscilla Lockwood
Len Gerzon, Public Member, Chairman
Robert J. Gagne, NHA AO, City, Vice-Chairman
Joseph Lessard, NHA AO, Towns >3,000
Todd Haywood, NHA AO, Towns <3,000
Betsey Patten, Public Member
Vacant, Municipal Official, Towns >3,000

Senator Bette Lasky ~ *Absent*
Representative Peter Schmidt
Stephan Hamilton, NHDRA
Eric Stohl, Municipal Official, Towns <3,000
Marti Noel, NHA AO
Thomas Thomson, Public Member ~ *Absent*
Vacant, Municipal Official, City

MEMBERS of the PUBLIC:

Loren Martin, Avitar Associates
Joe Haas, V.O.C.A.L.S., Inc.
Rosann Lentz, Assessor, Portsmouth
Dave Marazoff, CNHA
Mary Pinkham-Langer, NHDRA

Cindy Brown, BTLA
Dave Gomez, Assessor, Derry
Jim Wheeler, City Manager, Berlin
Jim Michaud, Assistant Assessor, Hudson
Mike Ryan, Hanover

Chairman Gerzon convened the meeting at 10:11 a.m.

Election of Chairman, Vice-Chairman

Selectmen Stohl ***motioned for Mr. Gerzon to remain as Chairman.*** Ms. Patten ***seconded the motion.*** Mr. Lessard ***motioned nominations cease.*** Mr. Gagne ***seconded the motion.*** No discussion. Chairman Gerzon called the motion. ***All approved.***

Mr. Lessard ***motioned for Mr. Gagne to remain as Vice-Chairman.*** Representative Schmidt ***seconded the motion.*** Selectmen Stohl ***motioned nominations cease.*** Mr. Hamilton ***seconded the motion.*** No discussion. Chairman Gerzon called the motion. ***All approved.***

Minutes

Ms. Patten ***motioned to accept the minutes of December 6, 2013.*** Mr. Lessard ***seconded the motion.*** A couple of corrections were noted. Chairman Gerzon called the motion to accept the minutes of the December 13, 2013, meeting as amended. Ms. Noel and Mr. Haywood abstained. ***All others approved.***

Assessing Reference Manual

Mr. Lessard suggested adding the following RSA references to Section 3.3 of the manual: RSA 41, RSA 46, RSA 91-A, RSA 155 A, B, C and D, RSA 595-B and RSA 643. In addition, Mr. Lessard proposed several corrections which will be incorporated into the manual.

Sales Chasing

Ms. Noel provided proposed changes to the sales chasing definition. A discussion followed. The term "inappropriately" that was added received opposition for several reasons. It would cause the need for further explanation to an already lengthy definition; it may give cause to additional misinterpretation and allegations of

sales chasing; and it could not be used in rules or statute because it would require specificity of what it does and does not include which may lead to additional misinterpretation and unnecessary charges.

It was agreed the changes and the expanded examples were constructive and headed in the right direction but that more work was needed to complete. Mr. Michaud suggested replacing the word “changing” with “correcting.” Selectmen Stohl suggested replacing the first paragraph with the statutory definition and keep the other two paragraphs. The intent is to remove the subjectivity from assessing and to allow anyone to understand the practice. The statutory definition has not been approved by the legislature however a suggestion was made to consider referencing the RSA at the beginning of Section 4-2, Sales Chasing.

Ms. Lentz expressed concern about using the term “reappraise” in the definition because it may not appropriately describe what is being done based on a person’s interpretation of the definition. Mr. Hamilton stated that is the term generally referred to in statute; a practice that the board is trying to convey to the local assessing officials and taxpayers. The objective is to break down the concept to express what it means to allow anyone to understand it.

Mr. Michaud stated he does not believe there is a problem. He referenced an IAAO query of other states who do not define sales chasing within administrative rule or law because it is covered under the Uniform Standards of Professional Appraisal Practice (USPAP). He feels the board is in the process of un-defining it from USPAP to define it separately.

Relative to the proposed statutory definition, under item (i), he feels the word “practice” is inappropriate and should be replaced with “process” because practice implies it is being practiced such as a doctor or lawyer practicing medicine and law. While it is an error to do it, he does not feel that it is a practice.

Relative to “intentional sales chasing by assessors certified in this chapter,” he interprets this as meaning it is okay for assessors who are not certified in this chapter, such as boards of assessors or elected members of boards of selectmen, to engage in the activity. His point being, that if it is not allowed, it should not be allowed by anyone. Mr. Hamilton asserted that no one may make appraisals on behalf of a municipality who are not certified and therefore applies to anyone who is making appraisals on behalf of municipalities.

Mr. Gagne stated that sales chasing may not be a problem today however it did exist in this State and was defined by Wasserstein and Davis which led to the responsibility for the Assessing Standards Board to define. In response to the word “practice” being more of a “process,” Mr. Gagne stated that it is a deliberate, inappropriate practice by an individual and not a process and believes that the word “practice” is the correct word to use.

In response to the statement pertaining to sales chasing being covered under USPAP, Mr. Hamilton stated if it were applied universally to the process of mass appraisal, then the practice of sales chasing would be covered. However, the practices covered at this time under USPAP pertains to the development and reporting of the mass appraisal and therefore is somewhat limited in its usability.

In response to the comparison in other states, Mr. Hamilton stated most other states do not rely as heavily on the process of indirect equalization to determine the market value of each community to determine fair apportionment and allocation of such things like the county tax burden and the state education tax. Because our system relies on the process of equalization, converting assessed values to market value may be the reason we have to address this as law.

Mr. Hamilton continued, the goal universally that we agree on is that we don’t want anyone to be able to manipulate statistics in order to come up with market value that does not represent a community. How we express that, how we protect it that is what we are working on. Mr. Hamilton volunteered to commit more work on the definition with Ms. Noel, incorporating her proposed changes as well as the suggestion made by Selectmen Stohl.

Mr. Lessard motioned to appoint a committee of two, Mr. Hamilton and Ms. Noel, to redraft section 4.2 - Sales Chasing, of the Assessing Reference Manual for consideration by the full board and invited

anyone else with comments or suggestions to forward them to Mr. Hamilton and Ms. Noel. Representative Schmidt **seconded the motion.** Mr. Gagne asked for references with the redraft. Mr. Hamilton stated he would like to consider the changes introduced by Ms. Noel, language from the IAAO, work this board has discussed including language from the proposed statute and the manual, as well as any ideas that are received, to incorporate into the definition of sales chasing to convey this practice in a way that will be easy to understand. Chairman Gerzon called the motion. **All approved.**

Mr. Michaud requested language be added to Section 9-3, Abatements, to reflect a taxpayer's inability to pay due to poverty as a good cause for abatement.

Equalization Manual

Chairman Haywood indicated the Equalization Manual was distributed to the board members on December 19, 2013, for review. The subcommittee met this morning and would like to recommend the current version of equalization manual to the full board for approval. Ms. Noel **motioned to hold off on the adoption of the equalization manual until the next ASB meeting to allow additional time for review.** Mr. Hamilton **seconded the motion.** No discussion. Chairman Gerzon called the motion. **All approved.** A draft of the Equalization Manual will be posted on the DRA website under Assessing Standards Board.

Chairman Gerzon tabled agenda items 7 and 8 until the February meeting.

Next Meeting

February 28, 2014 at 9:30 a.m. at the DRA

Annual Report

Chairman Gerzon stated a draft of the ASB Annual Report was distributed for review. Please send comments and/or suggestions to Chairman Gerzon prior to the next meeting. Ms. Patten offered to assist with the distribution of the report once complete.

Proposed Legislation

Mr. Michaud stated a bill has been filed pertaining to financing of green type improvements within a community; the community would help fund that for a property owner. Within the bill it talks about property owner income and expense information for municipalities to try to vet that process. Mr. Michaud will forward the bill to board members for review.

Mr. Gagne **motioned to adjourn.** Mr. Lessard **seconded the motion.**

Chairman Gerzon adjourned the meeting at 11:42 a.m.

Respectfully Submitted, Stephanie Derosier
NH Department of Revenue Administration – Municipal and Property Division

Documentation relative to the Assessing Standards Board may be submitted, requested or reviewed by: Telephone: (603) 230-5955

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